

ASSISTANCE LEAGUE® OF IRVINE

FINANCIAL STATEMENTS

YEAR ENDED MAY 31, 2015

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

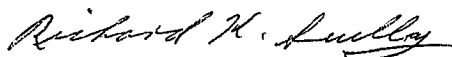
Board of Directors  
Assistance League® of Irvine  
Irvine, California

I have reviewed the accompanying statements of financial position of the Assistance League® of Irvine (a nonprofit corporation) as of May 31, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion. The prior year summarized comparative information has been derived from the Organization's May 31, 2014 financial statements, and in my review report dated October 9, 2014, I was not aware of any material modifications that should be made to those financial statements.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.



Richard K. Scully, CPA  
December 11, 2015

ASSISTANCE LEAGUE® OF IRVINE  
STATEMENT OF FINANCIAL POSITION  
MAY 31, 2015  
(WITH COMPARATIVE TOTALS FOR 2014)

	<u>TOTAL</u> <u>MAY 31, 2015</u>	<u>TOTAL</u> <u>MAY 31, 2014</u>
<u>ASSETS:</u>		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 416,889	\$ 371,211
Prepaid expenses	5,480	3,953
Inventory (Note 3)	<u>54,646</u>	<u>44,224</u>
Total Current assets	477,015	419,388
Net Land, Buildings, Property & Equipment (Note 4)	<u>1,193,320</u>	<u>1,203,361</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,670,335</u>	<u>\$ 1,622,749</u>
 <u>LIABILITIES AND NET ASSETS:</u>		
Current liabilities:		
Deferred dues revenue	\$ 11,920	\$ 22,380
Deferred fundraising revenue	<u>6,343</u>	<u>4,943</u>
Total liabilities (all current)	18,263	27,323
Net Assets (Note 6):		
Unrestricted	1,621,929	1,564,554
Temporarily restricted	<u>30,143</u>	<u>30,872</u>
Total Net Assets	<u>1,652,072</u>	<u>1,595,426</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 1,670,335</u>	<u>\$ 1,622,749</u>

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE® OF IRVINE  
STATEMENT OF ACTIVITIES  
YEAR ENDED MAY 31, 2015  
(WITH COMPARATIVE TOTALS FOR 2014)

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL MAY 31, 2015</u>	<u>TOTAL MAY 31, 2014</u>
<b><u>SUPPORT AND REVENUES:</u></b>				
Fundraising:				
Thrift shop revenue				
Contributed merchandise	\$ 257,175	\$ -	\$ 257,175	\$ 236,440
Sale of donated merchandise	247,794	-	247,794	234,977
Less: value of merchandise sold	<u>(247,794)</u>	<u>-</u>	<u>(247,794)</u>	<u>(234,977)</u>
Net Revenue from Thrift Shop	257,175	-	257,175	236,440
Special events income (Note 5)	2,977	-	2,977	6,794
Cost of direct benefits to attendees	<u>(43)</u>	<u>-</u>	<u>(43)</u>	<u>(4,704)</u>
Net special events	2,934	-	2,934	2,090
Contributions	33,659	4,340	37,999	204,920
Membership	21,367	-	21,367	17,337
Interest and dividend income	<u>31</u>	<u>-</u>	<u>31</u>	<u>93</u>
Support And Revenues	315,166	4,340	319,506	-460,880
NET ASSETS RELEASED FROM RESTRICTIONS (Note 6)	<u>5,069</u>	<u>(5,069)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	320,235	(729)	319,506	460,880
<b><u>EXPENSES:</u></b>				
Program Services:				
Operation School Bell	131,687	-	131,687	127,786
Young Masters Art Show	19,714	-	19,714	17,262
Grants	34,500	-	34,500	16,099
Trauma kits	3,100	-	3,100	1,355
Other	<u>5,061</u>	<u>-</u>	<u>5,061</u>	<u>5,456</u>
Total Programs Services Expenses	194,062	-	194,062	167,958
<b>SUPPORTING SERVICES:</b>				
Fundraising:				
Thrift shop	41,768	-	41,768	37,179
Management & general	18,188	-	18,188	17,597
Membership development	<u>8,842</u>	<u>-</u>	<u>8,842</u>	<u>9,423</u>
Total Supporting Services Expenses	<u>68,798</u>	<u>-</u>	<u>68,798</u>	<u>64,199</u>
Total Programs and Supporting Expenses	<u>262,860</u>	<u>-</u>	<u>262,860</u>	<u>232,157</u>
TOTAL CHANGE IN NET ASSETS	57,375	(729)	56,646	228,723
NET ASSETS AT BEGINNING OF YEAR	<u>1,564,554</u>	<u>30,872</u>	<u>1,595,426</u>	<u>1,366,703</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,621,929</u>	<u>\$ 30,143</u>	<u>\$ 1,652,072</u>	<u>\$ 1,595,426</u>

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE® OF IRVINE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED MAY 31, 2015  
(WITH COMPARATIVE TOTALS FOR 2014)

Program Service

	Operation School <u>Bell</u>	Young Masters <u>Art Show</u>	<u>Grants</u>	Trauma <u>Kits</u>	Other <u>Programs</u>
Accounting	\$ 89	\$ -	\$ -	\$ -	\$ -
Advertising	-	758	-	-	-
Assistees recognition	-	-	-	-	-
Bank Charges	-	-	-	-	-
Clothing	114,836	-	-	2,094	-
National conferences and meetings	3,117	-	-	-	-
Depreciation	3,719	-	-	-	-
Equipment rental	-	4,311	-	-	-
Insurance	1,608	-	-	-	-
Meals and entertainment	-	1,550	-	-	-
NAL dues	-	-	-	-	-
Occupancy:					
Rent	-	2,827	-	-	-
Association dues	3,128	-	-	-	-
Utilities	1,574	-	-	-	-
Interest	-	-	-	-	-
Maintenance	1,865	-	-	-	-
Public relations	-	-	-	-	-
Circle	-	-	-	-	-
Other	-	2,271	-	-	-
Postage and printing	18	3,483	-	-	-
Refreshment	-	840	-	-	-
Scholarships	-	-	34,500	-	-
Supplies	1,302	3,674	-	1,006	5,061
Telephone	431	-	-	-	-
Value of merchandise sold	-	-	-	-	-
	<u>131,687</u>	<u>19,714</u>	<u>34,500</u>	<u>3,100</u>	<u>5,061</u>
Less: expenses included with revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenses	<u>\$ 131,687</u>	<u>\$ 19,714</u>	<u>\$ 34,500</u>	<u>\$ 3,100</u>	<u>\$ 5,061</u>

See accompanying notes and independent accountant's review report.

Supporting Services

Total Program <u>Services</u>	Thrift <u>Shop</u>	Management and <u>General</u>	Membership <u>Development</u>	Total Supporting <u>Services</u>	Total <u>2015</u>	Total <u>2014</u>
\$ 89	\$ 154	\$ 2,972	\$ -	\$ 3,126	\$ 3,215	\$ 3,230
758	4,711	-	-	4,711	5,469	5,271
-	-	-	655	655	655	775
-	3,894	141	-	4,035	4,035	3,546
116,930	-	-	-	-	116,930	112,561
3,117	5,384	3,775	1,311	10,470	13,587	10,356
3,719	6,424	1,127	-	7,551	11,270	11,267
4,311	-	-	-	-	4,311	4,008
1,608	2,777	1,081	-	3,858	5,466	3,696
1,550	-	-	-	-	1,550	1,300
-	-	-	5,085	5,085	5,085	4,565
2,827	-	1,100	-	1,100	3,927	2,827
3,128	5,403	948	-	6,351	9,479	9,480
1,574	2,719	477	-	3,196	4,770	3,878
-	-	-	-	-	-	3,949
1,865	3,540	565	-	4,105	5,970	6,717
-	-	925	-	925	925	360
-	-	500	-	500	500	500
2,271	-	-	1,783	1,783	4,054	5,445
3,501	31	1,200	8	1,239	4,740	4,146
840	-	-	-	-	840	801
34,500	-	-	-	-	34,500	16,000
11,043	5,987	3,247	-	9,234	20,277	16,192
431	744	130	-	874	1,305	1,287
-	247,794	-	-	247,794	247,794	234,977
194,062	289,562	18,188	8,842	316,592	510,654	467,134
-	(247,794)	-	-	(247,794)	(247,794)	(234,977)
<u>\$ 194,062</u>	<u>\$ 41,768</u>	<u>\$ 18,188</u>	<u>\$ 8,842</u>	<u>\$ 68,798</u>	<u>\$ 262,860</u>	<u>\$ 232,157</u>

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE® OF IRVINE  
STATEMENT OF CASH FLOWS  
YEAR ENDED MAY 31, 2015  
(WITH COMPARATIVE TOTALS FOR 2014)

	YEAR ENDED MAY 31,	
	2015	2014
<b><u>OPERATING ACTIVITIES:</u></b>		
Change in net assets	\$ 56,646	\$ 228,723
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	11,270	11,267
Changes in operating assets and liabilities:		
(Increase) decrease in:		
Prepaid expenses	(1,527)	75
Inventory	(10,422)	1,102
Increase (decrease) in accounts payable and other		
Accounts payable	-	-
Deferrred dues revenue	(10,460)	2,860
Deferrred fundraising revenue	1,400	(200)
Net cash provided by operating activities	46,907	243,827
<b><u>INVESTING ACTIVITIES:</u></b>		
Purchase furniture and equipment	(1,229)	-
Net cash used in investing activities	(1,229)	-
<b><u>FINANCING ACTIVITIES:</u></b>		
Payments on note payable	-	(146,821)
Net cash provided by financing activities	-	(146,821)
Net increase (decrease) in cash and cash equivalents	45,678	97,006
Cash and cash equivalents at beginning of year	371,211	274,205
Cash and cash equivalents at end of year	\$ 416,889	\$ 371,211

Interest expense for the year ended 5/31/14 was \$ 3,949.

See accompanying notes and independent accountant's review report.

ASSISTANCE LEAGUE® OF IRVINE  
NOTES TO FINANCIAL STATEMENTS

MAY 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Assistance League® of Irvine, Inc. is a nonprofit corporation and is a chartered chapter of National Assistance® League. The accompanying financial statements include the activities of the Assistance League® of Irvine and its auxiliary, Assisteens, (collectively, the Chapter). The Chapter provides the following programs:

- \* Operation School Bell provides new clothing and shoes, school supplies and hygiene kits to children in Irvine schools, and children referred from Irvine's Families Forward and Human Options.
- \* Young Masters Art Show was established by the Chapter to exhibit exceptional works of art by Irvine elementary school students. The Art Show is held each spring in conjunction with Imagination Celebration and the Irvine Unified School District and culminates with an afternoon of music, hands-on art projects and fun.
- \* Grants are Scholarships for deserving students at Irvine Valley College.
- \* Trauma kits provide emergency clothing for victims of domestic violence.

The Chapter's support and revenues come primarily from contributions and other fundraising efforts including special events and operation of a thrift shop.

Basis of Accounting

The financial statements of the Chapter have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (FASB ASC 958-205), Financial Statements of Not-for-profit Organizations. Under (FASB ASC 958-205), the Chapter is required to report information regarding its financial position and activities in three classes of net assets, unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. The Chapter does not have any permanently restricted net assets at May 31, 2015.

See independent accountant's review report.



ASSISTANCE LEAGUE® OF IRVINE  
NOTES TO FINANCIAL STATEMENTS

MAY 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Chapter's financial statements for the year ended May 31, 2014, from which the summarized information was derived.

Fair Value Measurements

The Chapter follows FASB ASC 820-10, which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in the active markets.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Chapter did not have any investments during the year or at year end. Accordingly, within the fair value hierarchy, the Chapter's investments at fair value as of May 31, 2015 in each of the three levels was \$-0-.

Cash and Cash Equivalents

Cash and cash equivalents include cash held in checking and money market accounts and certificates of deposit with original maturities of less than 90 days.

See independent accountant's review report.

ASSISTANCE LEAGUE® OF IRVINE  
NOTES TO FINANCIAL STATEMENTS

MAY 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations of Credit and Market Risk

Financial instruments that potentially expose the Chapter to concentrations of credit and market risk consist primarily of cash, cash equivalents, and investments. Cash and cash equivalents are maintained at high-quality financial institutions and accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At May 31, 2015, all of the balances were fully insured.

Inventory

The Chapter maintains an inventory of school supplies and backpacks for use in its Operation School Bell program, which is stated at lower of cost or market determined by the first in, first out method. The Chapter also maintains an inventory of used clothing and household items donated by chapter members and others for resale by a thrift shop operated by the Chapter. The value of these donated items is reflected as revenue at the time of sale. The value of the thrift shop inventory held for sale at year-end is determined by a physical count and is reflected as non-cash donations at its fair market value.

Property and Equipment

Property and equipment exceeding \$500 and estimated useful life of 3 years or more are stated at cost or at the fair value of the date of donation in the case of donated assets. The Chapter provides for depreciation of property and equipment by use of the straight-line and double declining balance methods over the estimated useful lives as follows:

Computer equipment	5 years
Office equipment	5 years
Store fixtures	5 years
Warehouse equipment	5 years

Contributions of long-lived assets, or of cash or other assets that must be used to acquire long-lived assets, are reported as increases in temporarily restricted net assets. Restrictions are considered met, and an appropriate amount reclassified to unrestricted net assets, over the useful life of the long-lived assets as determined by the Chapter's depreciation policy.

See independent accountant's review report.

ASSISTANCE LEAGUE® OF IRVINE  
NOTES TO FINANCIAL STATEMENTS

MAY 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted and Unrestricted Support and Revenue

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Donated Services

Almost all of the Chapter's program service, fundraising and administrative functions are conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the services do not require specialized skills. During the year ended May 31, 2015, these volunteers donated approximately 28,470 hours with an estimated value of \$662,212. This value was computed using an estimated hourly rate of \$23.26, based upon the average hourly earnings of nonagricultural workers for the time period as determined by the U.S. Department of Labor's Bureau of Labor Statistics, plus 12% for estimated fringe benefits.

Tax Status

The Chapter is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code. In addition, the Chapter qualifies for the charitable contribution deduction under Section 170 (b) (1) (a) and has been classified as an organization that is not a private foundation under Section 509 (a) (2). The Chapter is also exempt from state income taxes under Section 23701 (d) of the Revenue and Taxation Code of the State of California.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

See independent accountant's review report.

ASSISTANCE LEAGUE® OF IRVINE  
NOTES TO FINANCIAL STATEMENTS

MAY 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Deferred Revenue

Membership dues and special event revenue collected prior to the fiscal year to which they apply are deferred and recognized over the periods to which the dues and the revenues relate.

Financial Instruments

The Chapter's financial instruments, none of which are held for trading purposes, include cash, cash equivalents and investments. The Chapter estimates that the fair value of all financial instruments at May 31, 2015 does not differ materially from the aggregate carrying values of the financial instruments recorded in accompanying Statement of Financial Position.

Subsequent Events

Subsequent events have been evaluated by management through December 11, 2015, which is the date the financial statements were available to be issued.

See independent accountant's review report.

ASSISTANCE LEAGUE® OF IRVINE  
NOTES TO FINANCIAL STATEMENTS

MAY 31, 2015

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents at May 31, 2015 consist of the following:

Cash on hand	\$ 255
Checking accounts:	
Bank of America	190,769
Wells Fargo	39,890
Union Bank of California	145,429
Savings accounts:	
Wells Fargo	<u>40,546</u>
Total Cash and Cash Equivalents	<u>\$ 416,889</u>

As of May 31, 2015, cash and cash equivalents are \$30,143 restricted and \$386,746 unrestricted.

NOTE 3 - INVENTORY

Inventories at May 31, 2015 consisted of the following:

Used clothing and household items held for resale at thrift shop	\$ 52,414
School supplies and backpacks for use in its Operation School Bell program	<u>2,232</u>
Total inventories	<u>\$ 54,646</u>

See independent accountant's review report.

ASSISTANCE LEAGUE® OF IRVINE  
 NOTES TO FINANCIAL STATEMENTS

MAY 31, 2015

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at May 31, 2015:

Land	\$ 832,318
Building	416,384
Furniture & fixtures	9,324
Equipment	<u>5,656</u>
	1,263,682
Less accumulated depreciation	<u>(70,362)</u>
 TOTAL PROPERTY AND EQUIPMENT	 <u>\$ 1,193,320</u>

Depreciation expense was \$ 11,270 for May 31, 2015.

NOTE 5 – FUNDRAISING ACTIVITIES

The Chapter held one fundraising activity during the year. Income and expense for the major fund-raiser for the year ended May 31, 2015 consisted of:

	<u>Revenues</u>	Cost of Direct Benefits to <u>Attendees</u>	Other Event <u>Costs</u>	<u>Net Revenue</u>
Poinsettia sales and other	<u>\$ 2,977</u>	<u>\$ -0-</u>	<u>\$ 43</u>	<u>\$ 2,934</u>
	<u>\$ 2,977</u>	<u>\$ -0-</u>	<u>\$ 43</u>	<u>\$ 2,934</u>

See independent accountant's review report.

ASSISTANCE LEAGUE® OF IRVINE

NOTES TO FINANCIAL STATEMENTS

MAY 31, 2015

NOTE 6 – NET ASSETS

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors.

Purpose restrictions fulfilled:

Operation School Bell	\$ 4,569
Young Masters Art Show	<u>500</u>
Total released from restrictions	<u>\$ 5,069</u>

At May 31, 2015, net assets were restricted by donors or designated by the Chapter as follows:

Unrestricted net assets:

Designated for future operating needs	\$ 284,471
Undesignated	<u>1,337,458</u>
Total unrestricted net assets	<u>1,621,929</u>

Temporarily restricted net assets:

Restricted for philanthropic projects by Capital Campaign	25,000
The Assisteens auxiliary	<u>5,143</u>
Total temporarily restricted net assets	<u>30,143</u>

Total net assets \$ 1,652,072

NOTE 7 – NONCASH CONTRIBUTIONS

During the year ended May 31, 2015, in addition to contributions of merchandise to the Chapter's thrift shop, the Chapter received other noncash contributions of materials that have been reflected in the financial statements of the Chapter as follows:

Program supplies \$ 5,442

See independent accountant's review report.